

## Message Text

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PAGE 01 STATE 028368  
ORIGIN NEA-03

INFO OCT-01 ISO-00 /004 R

DRAFTED BY NEA/ARP:J J ZIOLKOWSKI:LB  
APPROVED BY NEA/ARP:J W TWINAM  
-----014679 022128Z /64

O 022121Z PEB 78  
FM SECSTATE WASHDC  
TO AMEMBASSY AMMAN IMMEDIATE  
AMEMBASSY KUWAIT  
AMEMBASSY TUNIS

LIMITED OFFICIAL USE STATE 028368

E.O. 11652: N/A

TAGS: BENC

SUBJECT: ARABSAT

FOLLOWING IS A REPEAT OF STATE 271718  
QUOTE  
O P 121745Z NOV 77  
FM SECSTATE WASHDC  
TO AMEMBASSY JIDDA IMMEDIATE  
INFO USLO RIYADH PRIORITY

LIMITED OFFICIAL USE STATE 271718  
FOR AMBASSADOR

E.O.11652: N/A  
TAGS: BENC  
SUBJECT: ARABSAT

1. COMSAT GENERAL (COMGEN) OFFICIALS HAVE SOUGHT  
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PAGE 02 STATE 028368

DEPARTMENT'S ASSISTANCE IN COMMERCIAL COMPETITION FOR  
MULTI-MILLION DOLLAR CONSULTING CONTRACT TO DESIGN,  
SUPERVISE CONSTRUCTION OF, AND MANAGE SATELLITE COMMUNI-  
CATIONS SYSTEM FOR ARAB COUNTRIES (ARABSAT). COMGEN  
CLAIMS THAT COUNTRY OF FIRM WINNING CONTRACT WILL HAVE  
INSIDE TRACK TO PERHAPS 300 MILLION DOLS IN EQUIPMENT

SALES AND THAT THEIR PROPOSAL IS "ONLY ONE INVOLVING SOLELY U.S. PARTICIPATION ". THERE ARE TWO OTHER BIDS WITH U.S. COMPONENTS OF VARYING AMOUNTS, HOWEVER. ONE FIRM IS TELECONSULT WHICH HAS 24 PERCENT INTEREST PLUS LEADING MANAGEMENT ROLE IN "ARAB-EUROPEAN-AMERICAN" GROUP. WE HAVE NO INFORMATION ABOUT INTERNATIONAL INFORMATION SYSTEMS INC. WHICH HAS A CALIFORNIA ADDRESS. IN ANY CASE, BIDDERS ON THIS CONTRACT ARE NOT TO INCLUDE ANY EQUIPMENT MANUFACTURERS.

2. COMSAT GENERAL REPS REPORTED SAUDIS OF LATE HAVE TAKEN MORE NEUTRAL, LESS PRO-COMSAT POSITION THAN THEY HAD EARLIER, AND COMGEN REPS PLANNING SERIES OF VISITS TO ARAB COUNTRIES DESIGNED TO BUTTRESS COMPANY'S PROSPECTS BEFORE ARABSAT'S RIYADH MEETING DECEMBER 5. TWO-MAN TEAM HEADED BY KEN MANNING ARRIVING RIYADH NOVEMBER 12 AND JIDDA NOVEMBER 13. AFTER TOURING ELSEWHERE, THEY WILL RETURN TO SAUDI ARABIA (RIYADY) DECEMBER 1, WITH BOARD CHAIRMAN JOHN JOHNSON. WE WOULD APPRECIATE EMBASSY'S OFFERING APPROPRIATE COURTESIES. UNTIL COMPETING U.S. FIRMS ARE OUT OF PICTURE, HOWEVER, YOU SHOULD NOT MAKE ANY REPRESENTATIONS ON COMGEN'S BEHALF. YOU MAY, OF COURSE, TELL SAG THAT YOU HOPE AMERICAN COMPANIES WILL BE GIVEN PRIMARY ROLE IN CONSTRUCTION AND MANAGEMENT OF SYSTEM. USDOC INVESTIGATING ARABSAT'S SITUATION FURTHER AND WILL ADVISE AREA POSTS ASAP.  
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PAGE 03 STATE 028368

3. ONE QUESTION MANNING TOLD US HE WILL RAISE IS WHETHER OR NOT COMSAT GENERAL WILL REQUIRE, OR COULD USEFULLY EMPLOY, A SAUDI AGENT. VANCE. UNQUOTE  
VANCE

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NNN

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
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**Draft Date:** 02 feb 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE028368  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** J J ZIOLKOWSKI:LB  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
**Expiration:**  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Subject:** ARABSAT FOLLOWING IS A REPEAT OF STATE 271718 QUOTE  
**TAGS:** BENC, BENC  
**To:** AMMAN KUWAIT MULTIPLE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014